

Article - Public Utilities

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§7-306.2.

(a) (1) In this section the following words have the meanings indicated.

(2) “Baseline annual usage” means:

(i) a subscriber’s accumulated electricity use in kilowatt-hours for the 12 months before the subscriber’s most recent subscription; or

(ii) for a subscriber that does not have a record of 12 months of electricity use at the time of the subscriber’s most recent subscription, an estimate of the subscriber’s accumulated 12 months of electricity use in kilowatt-hours, determined in a manner the Commission approves.

(3) “Community solar energy generating system” means a solar energy system that:

(i) is connected to the electric distribution grid serving the State;

(ii) is located in the same electric service territory as its subscribers;

(iii) is attached to the electric meter of a subscriber or is a separate facility with its own electric meter;

(iv) credits its generated electricity, or the value of its generated electricity, to the bills of the subscribers to that system through virtual net energy metering;

(v) has at least two subscribers;

(vi) does not have subscriptions larger than 200 kilowatts constituting more than 60% of its subscriptions;

(vii) has a generating capacity that does not exceed 2 megawatts as measured by the alternating current rating of the system’s inverter; and

(viii) may be owned by any person.

(4) “Program” means the Community Solar Energy Generating Systems Pilot Program.

(5) “Subscriber” means a retail customer of an electric company that:

(i) holds a subscription to a community solar energy generating system; and

(ii) has identified one or more individual meters or accounts to which the subscription shall be attributed.

(6) “Subscriber organization” means:

(i) a person that owns or operates a community solar energy generating system; or

(ii) the collective group of subscribers of a community solar energy generating system.

(7) “Subscription” means the portion of the electricity generated by a community solar energy generating system that is credited to a subscriber.

(8) “Unsubscribed energy” means any community solar energy generating system output in kilowatt–hours that is not allocated to any subscriber.

(9) “Virtual net energy metering” means measurement of the difference between the kilowatt–hours or value of electricity that is supplied by an electric company and the kilowatt–hours or value of electricity attributable to a subscription to a community solar energy generating system and fed back to the electric grid over the subscriber’s billing period, as calculated under the tariffs established under subsection (e)(2) of this section.

(b) The General Assembly finds that:

(1) community solar energy generating systems:

(i) provide residents and businesses, including those that lease property, increased access to local solar electricity while encouraging private investment in solar resources;

(ii) enhance continued diversification of the State’s energy resource mix to achieve the State’s renewable energy portfolio standard and Greenhouse Gas Emissions Reduction Act goals; and

(iii) provide electric companies and ratepayers the opportunity to realize the many benefits associated with distributed energy; and

(2) it is in the public interest that the State enable the development and deployment of energy generation from community solar energy generating systems in order to:

(i) allow renters and low-income and moderate-income retail electric customers to own an interest in a community solar energy generating system;

(ii) facilitate market entry for all potential subscribers while giving priority to subscribers who are the most sensitive to market barriers; and

(iii) encourage developers to promote participation by renters and low-income and moderate-income retail electric customers.

(c) A community solar energy generating system, including a subscriber or subscriber organization associated with the community solar energy generating system, is not:

(1) an electric company;

(2) an electricity supplier; or

(3) a generating station.

(d) (1) (i) The Commission shall establish a pilot program for a Community Solar Energy Generating System Program.

(ii) The structure of the pilot program is as provided in this subsection.

(2) All rate classes may participate in the pilot program.

(3) Subscribers served by electric standard offer service and electricity suppliers may hold subscriptions to the same community solar energy generating system.

(4) A subscriber organization shall:

(i) determine how to allocate subscriptions to subscribers; and

(ii) notify an electric company and, if applicable, a relevant electricity supplier about the regulations the Commission adopts under subsection (e) of this section.

(5) An electric company shall use the tariff structure under subsection (e)(2) of this section to provide each subscriber with the credits.

(6) A subscriber may not receive credit for virtual net excess generation that exceeds 200% of the subscriber's baseline annual usage.

(7) Any unsubscribed energy generated by a community solar energy generating system that is not owned by an electric company shall be purchased under the electric company's process for purchasing the output from qualifying facilities at the amount it would have cost the electric company to procure the energy.

(8) An electric company shall use energy generated from a community solar energy generating system to offset purchases from wholesale electricity suppliers for standard offer service.

(9) All costs associated with small generator interconnection standards under COMAR 20.50.09 are the responsibility of the subscriber organization.

(10) A subscriber organization may petition an electric company to coordinate the interconnection and commencement of operations of a community solar energy generating system after the Commission adopts regulations required under subsection (e) of this section.

(11) A subscriber organization may contract with a third party for the third party to finance, build, own, or operate a community solar energy generating system.

(12) A municipal utility or cooperative utility may participate in the pilot program.

(13) Equipment for a community solar energy generating system may not be built on contiguous parcels of land unless the equipment is installed only on building rooftops.

(14) The pilot program shall:

(i) begin on the earlier of:

1. the date of submission of the first petition of a subscriber organization under paragraph (10) of this subsection after the Commission adopts the regulations required under subsection (e) of this section; or

2. 6 months after the Commission adopts those regulations; and

(ii) end 3 years after the beginning date.

(15) The Commission shall limit the pilot program in such a way that the Commission may conduct a meaningful study of the pilot program and its results, including:

(i) the appropriate number of community solar energy generating systems to be included in the pilot program;

(ii) the appropriate amount of generating capacity of the community solar energy generating systems to be included in the pilot program; and

(iii) a variety of appropriate geographical areas in the State for locating community solar energy generating systems to be included in the pilot program.

(e) On or before May 15, 2016, the Commission shall adopt regulations to implement this section, including regulations for:

(1) consumer protection;

(2) a tariff structure for an electric company to provide a subscriber with the kilowatt-hours or value of the subscriber's subscription, as the Commission determines;

(3) a calculation for virtual net energy metering as the Commission determines;

(4) a protocol for electric companies, electricity suppliers, and subscriber organizations to communicate the information necessary to calculate and provide the monthly electric bill credits and yearly net excess generation payments required by this section; and

(5) a protocol for a subscriber organization to coordinate with an electric company for the interconnection and commencement of operations of a community solar energy generating system.

(f) (1) Subject to regulations or orders of the Commission, a contract relating to a community solar energy generating system or subscriber organization that is entered into during the pilot program shall remain in effect according to the terms of the contract, including after the termination of the pilot program.

(2) After termination of the pilot program, in accordance with the operational and billing requirements in subsection (d) of this section:

(i) a subscriber organization may continue the operation of a community solar energy generating system that began operation during the pilot program, including the creation and trading of subscriptions; and

(ii) in accordance with the tariffs established under subsection (e)(2) of this section, an electric company shall continue to facilitate the operation of a community solar energy generating system that began operation during the pilot program.

(g) The cumulative installed nameplate capacity under the pilot program shall count toward the overall limitation of 1,500 megawatts for all net metering projects in § 7–306(d) of this subtitle.

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